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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

A

W-02258A
American Realty and Mortgage Co., Inc.
P.O. Box 232
Wittman AZ 85361

RECEIVED

NOV 04 2005

Arizona Corporation Commission
Phoenix, Arizona

ANNUAL REPORT

FOR YEAR ENDING

12	31	2003
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FOR COMMISSION USE

Ann04	03
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COMPANY INFORMATION

Company Name (Business Name) AMERICAN REALTY & MORTGAGE Co., Inc.

Mailing Address P.O. Box 232
(Street)
Wittmann, AZ 85361-0232
(City) (State) (Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address sellwell@interwrx.com

Local Office Mailing Address P.O. Box 232
(Street)
Wittmann, AZ 85361-0232
(City) (State) (Zip)

623-388-2949

623-388-2413

602-885-4484

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: Joseph W. Lee Secretary/Treasurer
(Name) (Title)

32101 Walnut St. - P.O. Box 640 - Wittmann, AZ 85361
(Street) (City) (State) (Zip)

623-388-2949

623-388-2413

602-885-4484

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address jwl@interwrx.com

On Site Manager: N/A
(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Joseph W. LEE, Attorney
 (Name)
32101 Walnut Street
 (Street)
P.O. Box 640
 (City)
Wittmann, AZ 85361
 (State) (Zip)
623-388-2949 623-388-2413 602-885-4484
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: Joseph W. LEE
 (Name)
P.O. Box 640
 (Street)
32101 Walnut Street, Wittmann, AZ 85361
 (City) (State) (Zip)
623-388-2949 623-388-2413 602-885-4484
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|-----------------------------------|---|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input checked="" type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

American Realty & Mortgage Co., Inc.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	500	0-	500
304	Structures and Improvements	29,294	24,446	4,848
307	Wells and Springs	2		2
311	Pumping Equipment - sites	2		2
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	1		1
331	Transmission and Distribution Mains	10,100	5050	5050
333	Services		10% per year 5 years	
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment X leased wells sites			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	100 ⁰⁰		100 ⁰⁰
	TOTALS	39,994	29,496	10,498

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME American Realty & Mortgage Co., Inc.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	500	—	—
304	Structures and Improvements	29,294		24,446
307	Wells and Springs - sites	2		2
311	Pumping Equipment - sites	2		2
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	10,100	10% per year 5 years	6050
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	100	—	—
	TOTALS	39,994		29,496

This amount goes on Comparative Statement of Income and Expense
Acct. No. 403.

COMPANY NAME AMERICAN Realty & MORTGAGE Co., Inc

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 91	\$ 164
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 91	\$ 164
	FIXED ASSETS		
101	Utility Plant in Service	\$ 39,994	\$ 39,994
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	28,486	29,496
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 11,508	\$ 10,498
	TOTAL ASSETS	\$ 11,599	\$ 10,662

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME American Realty & Mortgage Co., Inc.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)	41,084. ⁰⁰	62,569
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 41,084. ⁰⁰	\$ 62,569. ⁰⁰
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ —	\$ —
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ —	\$ —
	TOTAL LIABILITIES	\$ 41,084	\$ 62,569. ⁰⁰
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 36,250	\$ 36,250
211	Paid in Capital in Excess of Par Value	← 65,735 →	
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ ← 29485 →	\$
	TOTAL LIABILITIES AND CAPITAL	← 70569 →	← 98819 →

COMPANY NAME American Realty & Mortgage Co., Inc.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	2002	2003
		PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 3,454	\$ 4,407 ⁰⁰
460	Unmetered Water Revenue		
474	Other Water Revenues <i>Turn on & off fees</i>	90	40 ⁰⁰
	TOTAL REVENUES	\$ 3,544	\$ 4,447 ⁰⁰
	OPERATING EXPENSES		
601	Salaries and Wages <i>BOOKKEEPING</i>	\$ 1,200	\$ 1,200 ⁰⁰
610	Purchased Water <i>Lease H-12 well</i>	2,400	2,400 ⁰⁰
615	Purchased Power <i>APS</i>	3,673	4,834 ⁰⁰
618	Chemicals <i>Bank Fees</i>	93	89 ⁰⁰
620	Repairs and Maintenance	1,964	3,258 ⁰⁰
621	Office Supplies and Expense - Rent - overhead	1,666	3,153 ⁰⁰
630	Outside Services		
635	Water Testing	3,200	471 ⁰⁰
641	Rents		
650	Transportation Expenses		
657	Insurance - General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense <i>Legal & Sec/Hous Fund</i>	2,400	2,400 ⁰⁰
403	Depreciation Expense	28,486	29,496 ⁰⁰
408	Taxes Other Than Income <i>Sales / ENV</i>	333	243 ⁰⁰
408.11	Property Taxes	10,715	
409	Income Tax	1,660	200 ⁰⁰
	TOTAL OPERATING EXPENSES	\$ 56,569	\$ 49,744
	OPERATING INCOME/(LOSS)	\$ -53,035. →	\$ -45,297 ⁰⁰ ✓
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	11,284	15,568 ⁰⁰
	TOTAL OTHER INCOME/(EXPENSE)	\$ 11,284 ⁰⁰ ✓	\$ 15,568 ⁰⁰
	NET INCOME/(LOSS)	\$ -54,289 ⁰⁰ ✓	\$ -60,865 ⁰⁰ ✓

COMPANY NAME

American Realty & Mortgage Co., Inc.

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$

Meter Deposits Refunded During the Test Year

\$

COMPANY NAME

American Realty & Mortgage Co., Inc.

WATER COMPANY PLANT DESCRIPTIONWELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-803960	5			4"	3/4"	1963

- Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
Leased Well & Equipment		200 ⁰⁰⁰ /month

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
		-0-	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
10,000	1		2
5,000	1		2

COMPANY NAME

American Realty & Mortgage Co, Inc

WATER COMPANY PLANT DESCRIPTION (CONTINUED)**MAINS**

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6	Plastic	2,600' approx
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	34
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

N/A

STRUCTURES:

OTHER:

COMPANY NAME: American Realty & Mortgage Co., Inc.

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2003

MONTH	NUMBER OF CUSTOMERS	^{Actual sales} GALLONS SOLD	^{Miscellaneous} GALLON PUMPED (Thousands)
JANUARY	23	517,825	517,825
FEBRUARY	29	—	—
MARCH	25	—	—
APRIL	26	120,444	120,444
MAY	29	199,555	199,555
JUNE	27	542,045	542,045
JULY	20	79,841	79,841
AUGUST	23	136,107	136,107
SEPTEMBER	27	240,274	240,274
OCTOBER	23	157,871	157,871
NOVEMBER	24	212,644	212,644
DECEMBER		357,492	357,492
TOTAL			2,574,098

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☒ Yes

☐ No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes

☒ No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. < 0.002 mg/l
(If more than one well, please list each separately)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME American Realty & Mortgage Co., Inc. YEAR ENDING 12/31/2003

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2003 was: \$ 00

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. No money to pay this year.

COMPANY NAME American Realty & Mortgage Co., Inc. YEAR ENDING 12/31/2003

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported
Estimated or Actual Federal Tax Liability

0 (no copy)
0 (no copy)

State Taxable Income Reported
Estimated or Actual State Tax Liability

0 (no copy)
0 (no copy)

Amount of Grossed-Up Contributions/Advances:

N/A

Amount of Contributions/Advances
Amount of Gross-Up Tax Collected
Total Grossed-Up Contributions/Advances

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

NA

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Joseph W. Lee
SIGNATURE

11/3/04
DATE

Joseph W. Lee
PRINTED NAME

Secretary
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

NOV 04 2005

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
<u>Maricopa</u>
NAME (OWNER OR OFFICIAL) TITLE
<u>Joseph W. Lee - Secretary / Treasurer</u>
COMPANY NAME
<u>American Realty & Mortgage Co., Inc.</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2003</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2003 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 4721

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 314
IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Joseph W. Lee Sec
SIGNATURE OF OWNER OR OFFICIAL
602-388-2949
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



2 DAY OF
NOVEMBER
LINDA SUE EASTWOOD
Notary Public - State of Arizona
MARICOPA COUNTY
My Comm. Expires Mar. 7, 2006

DAY OF

COUNTY NAME	
<u>MARICOPA</u>	
MONTH	
<u>NOVEMBER</u> 20 <u>05</u>	
<u>Linda Sue Eastwood</u> SIGNATURE OF NOTARY PUBLIC	

MY COMMISSION EXPIRES

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

NOV 04 2005

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) <u>MARICOPA</u>	
NAME (OWNER OR OFFICIAL) <u>JOSEPH W. LEE</u>	TITLE <u>Secretary/Treas.</u>
COMPANY NAME <u>American Realty & Mortgage Co., Inc.</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF *from current records available.*

SWORN STATEMENT

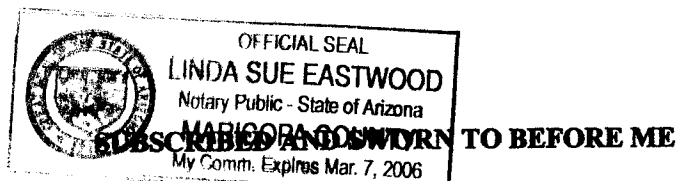
IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2003 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>4721</u>

(THE AMOUNT IN BOX AT LEFT INCLUDES \$ 314 IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.

Joseph W. Lee
SIGNATURE OF OWNER OR OFFICIAL



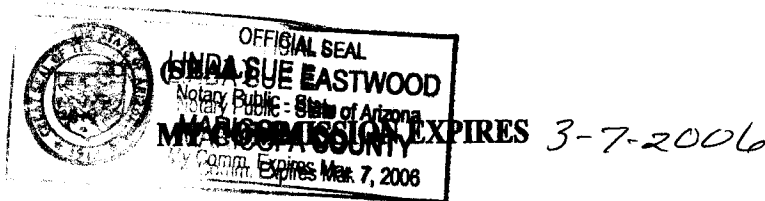
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

3rd

DAY OF

NOTARY PUBLIC NAME <u>Linda Eastwood</u>	
COUNTY NAME <u>MARICOPA</u>	
MONTH <u>November</u>	YEAR <u>2005</u>



X Linda Eastwood
SIGNATURE OF NOTARY PUBLIC